



MONTANA
TELECOMMUNICATIONS
ASSOCIATION

April 8, 2005

Via e-mail

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
244 12th Street SW
Washington, D.C. 20554

RE: EX PARTE communication in the matters of Federal State Joint Board on Universal Service (CC Docket No. 96-45) and Developing a Unified Intercarrier Compensation Regime (CC Docket No. 01-92)

Dear Ms. Dortch,

On April 6, 2005, members of the Montana Telecommunications Association (MTA) and I met with Chairman Martin and other Commissioners' staff to discuss the above-referenced dockets.

Members of the MTA delegation included:

- Darren Moser, General Manager of 3 Rivers Communications in Fairfield, MT.
- Bill Squires, Senior Vice President of Blackfoot Communications Group, Missoula, MT. Mr. Squires also serves as the President of MTA's Board.

We met with:

- Chairman Kevin Martin and his advisor, Dan Gonzalez;
- Scott Bergmann, legal advisor to Commissioner Jonathan Adelstein; and
- John Stanley, legal advisor to Commissioner Abernathy.

With regard to CC Docket No. 96-45 (universal service) we commended the Commission for developing recommended guidelines for designation of eligible telecommunications carriers (ETCs), and encouraged the Commission and Joint Board on Universal Service to resolve the remaining issue of portability of universal service support. The current method of porting universal service support at the incumbent's level to a competitive ETC (CETC), regardless of the CETC's own cost characteristics, potentially creates a windfall for the CETC that leads to subsidized competition and compromises both the purpose and financial viability of universal service.

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With regard to a unified intercarrier compensation regime (CC Docket No. 01-92), we expressed our concerns with reducing access rates to zero under a bill and keep regime. There are explicit costs associated with providing access. Pressure on universal service funding, without expanding the contribution base to ensure that all providers of voice telephony service contribute equitably, would be potentially unsustainable over the long term. Finally, without endorsing any particular plan, we discussed the potential merits of a connections-based intercarrier compensation mechanism for residential service and a possible capacity-based system for business.

Respectfully submitted,

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